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Security Information

4 November 1953

MEMORANDUM FOR: Chief, D/E/RR
SUBJECT: IWG Progress Report for October 1953

Seven intelligence papers on various subjects of economic defense were prepared and distributed by the IWG Secretariat during October. In addition, an "IWG Commodity Analysis Checklist", intended to serve as a basis for preparation of the intelligence contribution required in determining the significance of specific commodities to the Soviet war potential, was distributed for use by member agencies. A State circular airgram on "Lateral Dissemination of Intelligence Information", prepared as a result of State-Commerce-CIA conversations, was reproduced for information. ~~Two cases concerned bunkering and one concerned strategic significance of magnesium were accepted by the IWG. Three cases, of which two concerned bunkering and one, the strategic significance of magnesium, were accepted by the IWG.~~

The IWG was occupied principally during the month in production and review of a paper on "Appraisal of Soviet Offers of Chrome, Manganese, Platinum and Palladium to the United States", requested by EDAC Working Group No. V for use in ~~determining~~ formulating criteria for determining US policy on Soviet bloc sales offers. In this regard, CIA has accepted the Working Group request to prepare a petroleum annex to this paper. A paper was also prepared on the strategic use pattern of lead to the Soviet bloc, to be used to support the US position in COCOM negotiations. Steps were taken under IWG auspices to insure exploitation of accumulated censorship material in Vienna, primarily to fill gaps in intelligence on the "name" and financial aspects of East-West trade.

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A decision was made to postpone work on an MDAC request for information on Soviet trade tactics and activities required for assessing the significance of recent Soviet moves in the trade field. Further consideration will be given this project upon completion of NIE-100, "Soviet Bloc Capabilities for Economic Warfare." Work was undertaken, however, by CIA in a related field, namely, that of providing to the EDAC a list of non-~~consumer~~ strategic consumer goods which it is proposed be licensed to the satellites for propaganda purposes. A project originally placed on IWG by OIT for intelligence concerning the strategic significance to the Soviet bloc of some 65 commodity categories was closed out in view of current COCOM discussion of these items on an ad hoc basis.

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Executive Secretary
Intelligence Working Group

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